

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. Each Transmission Owner, Transmission Customer, and Network Customer must purchase Energy Imbalance Service through the Transmission Provider, with PJMSettlement acting as the Counterparty, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service. For purposes of Energy Imbalance Services, if a Point of Delivery serves more than one Transmission Owner or Network Customer, the Energy Imbalance Service and any associated charges will be computed by the Transmission Provider for the Point of Delivery and the allocation of the service and associated charges shall be the responsibility of the meter operator of the Point of Delivery.

For each Transmission Owner, Transmission Customer receiving service under Tariff, Part II, and Network Customer, Energy Imbalance Service is considered to be PJM interchange and will be charged at the Locational Marginal Price determined pursuant to Tariff, Attachment K-Appendix, section 2. The Transmission Provider shall administer the purchases by customers of Energy Imbalance Service. PJMSettlement shall be the Counterparty to the purchases by customers of Energy Imbalance Service.